

SECOND ANNUAL REPORT

of the

**STATE BUDGET AND
CONTROL BOARD
DIVISION OF
MOTOR VEHICLE MANAGEMENT**

to the

GENERAL ASSEMBLY OF SOUTH CAROLINA

July 1, 1976 - June 30, 1977

Columbia, S. C.

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State Budget and Control Board**

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LETTER OF TRANSMITTAL

September 1, 1977

The Honorable James B. Edwards, Governor

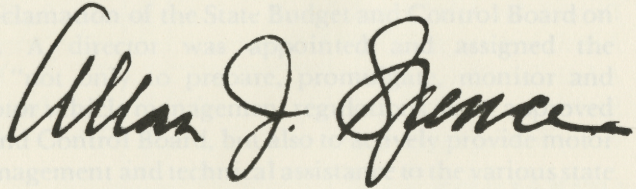
The Honorable Members of The General Assembly

It is an honor to present to you the Second Annual Report for the Division of Motor Vehicle Management (DMVM).

During the second year of operation, the DMVM has worked diligently to provide quality vehicle management to the State of South Carolina. While much progress has been made, there still remains a myriad of tasks yet to be performed. The swiftness of completion of these tasks unfortunately, is in direct proportion to the assets of budget and staff. Regardless of how small or large these assets, the DMVM is dedicated to providing accurate and timely vehicle management information to all such persons, agencies and legislative bodies requiring such information and to actively carry out those programs and policies approved by the Budget and Control Board.

The trust and confidence placed in this Division to function as the office of record for the operation and inventory of all state-owned vehicles is recognized. These duties shall be carried out in an accurate and unbiased manner.

Respectfully submitted,

A handwritten signature in dark ink, reading "Allan J. Spence". The signature is fluid and cursive, with the first name "Allan" and last name "Spence" clearly legible. The middle initial "J." is smaller and positioned between the first and last names.

Allan J. Spence, Director
BUDGET AND CONTROL BOARD
DIVISION OF
MOTOR VEHICLE MANAGEMENT

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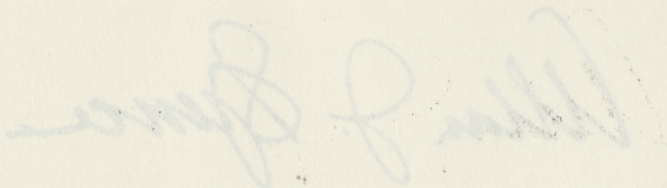
During the second year of operation, the DMVM has endeavored to provide quality vehicle management to the State of North Carolina. While much progress has been made, there still remains a great deal of work to be done.

FORWARD

It is hoped that this annual report will allow the reader a simple and easy to read tool for learning more about the Division of Motor Vehicle Management. Most areas of interest and concern are covered within these pages; however, if more information is needed by the reader, additional information is available upon request.

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Respectfully submitted,



William J. Spencer, Director
BUDGET AND CONTROL BOARD
DIVISION OF
MOTOR VEHICLE MANAGEMENT

HISTORY OF THE DIVISION

In the past decade the number of motor vehicles and related equipment owned and used by the federal, state and local governments across the nation has grown by an astronomical number. The State of South Carolina has not been an exception, for it, too, boasts a large increase in motor vehicles. This is easily understood when one considers the number of employees added to our state payrolls and the general emphasis placed on mobility. As in most states and large municipalities, the problems encountered with respect to cost-effective operation of a large fleet of vehicles has become so complex that it has become necessary to designate an agency or division of government to develop and administer the policies for the efficient use of state vehicles.

In order to review and make recommendations on certain problem areas relevant to the management of state-owned operated vehicles, a special panel was assembled under the auspices of the Council of State Governments. The request for this study was initiated by the State Budget and Control Board and was completed on January 20, 1975.

One of the recommendations of this special panel was that a State Motor Vehicle Management coordinator be appointed. Further, to be effective, this individual must exercise and operate within an aura of authority provided by the policy making level. This was necessary because of the various agency and individual philosophies that would be encountered in an undertaking such as this. Following this recommendation, the Division of Motor Vehicle Management was created by a proclamation of the State Budget and Control Board on May 27, 1975. A director was appointed and assigned the responsibilities "not only to prepare, promulgate, monitor and enforce such motor vehicle management regulations as are approved by the Budget and Control Board, but also to actively provide motor vehicle fleet management and technical assistance to the various state agencies."

In addition to the recommendation to create the Division of Motor Vehicle Management, the special panel further recommended that policies, procedures, rules and regulations pertaining to management of state-owned and operated motor vehicles in the following areas be written:

- (1) Acquisition and disposal
- (2) Assignment and use
- (3) Identification
- (4) Service and repair
- (5) Replacement
- (6) Movement towards the establishment of an inter-agency, multiple user central transportation center
- (7) Achieve maximum cost effective management by developing a universal gasoline credit card, blanket automobile liability policy, reduction of non-official use of vehicles and other such measures that are considered beneficial to the State
- (8) Minimize reimbursement for use of personal vehicle to accomplish official business
- (9) Optimum energy efficiency for the task to be performed by proper selection and use of a vehicle
- (10) Penalties for violation of promulgated motor vehicle policies, rules and regulations

In addition to implementing the recommendations of the special panel, this Agency has also been assigned the task of administering the vehicles obtained under the Urban Mass Transportation Act, paragraph 16(b)(2).

STAFF FOR DIVISION OF MOTOR VEHICLE MANAGEMENT

Director Allan J. Spence

ADMINISTRATION

Deputy for Administration Robert T. Davis

Administrator for UMTA Grants Carroll C. McDuffie

Administrative Assistant Peter G. Oliver

Secretary Mrs. Linda S. Watts

Receptionist Mrs. Laura B. Baker

OPERATIONS

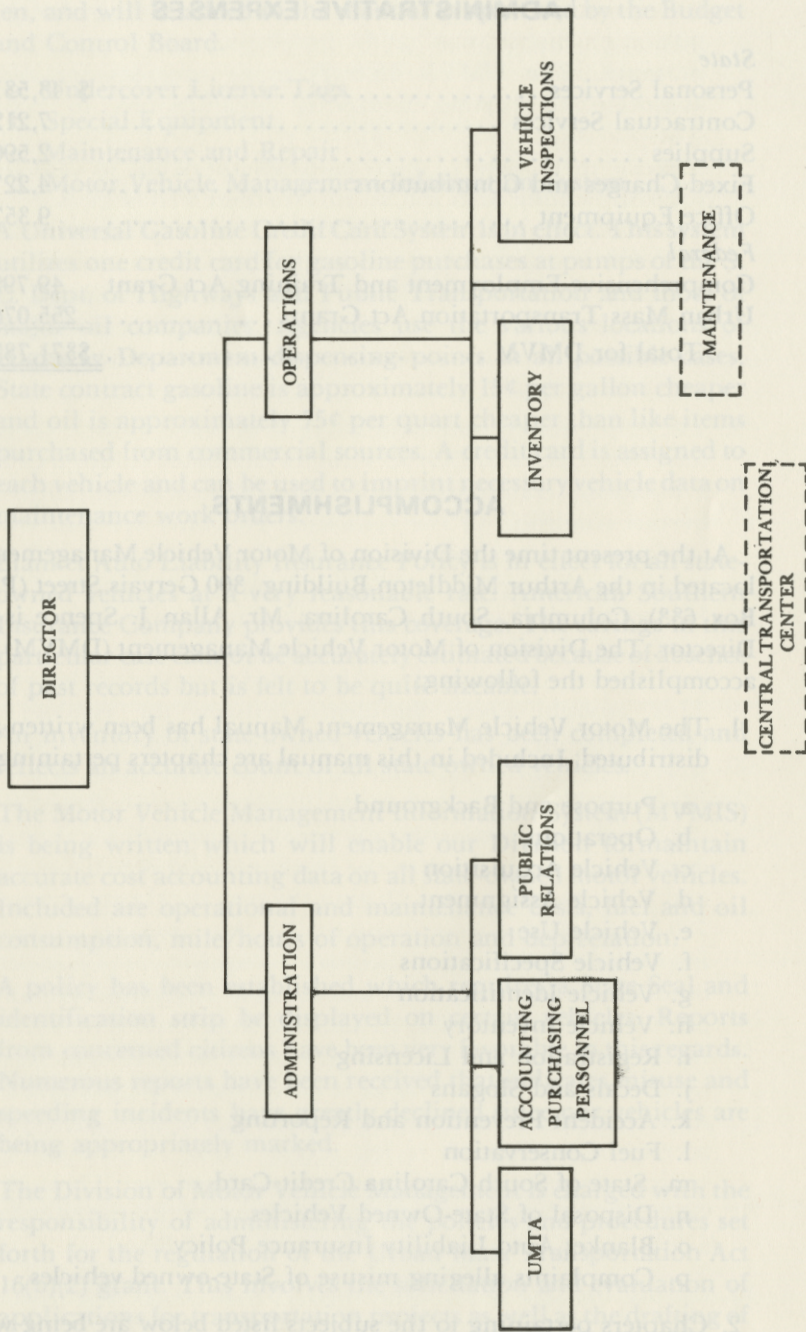
Deputy for Operations Claudie A. Davis

Transportation Planner Robert M. Babbitt

Keypunch

Vehicle Mechanic Inspector James D. Filyaw, Sr.

**BUDGET AND CONTROL BOARD
DIVISION OF MOTOR VEHICLE MANAGEMENT**



ADMINISTRATIVE EXPENSES

State

Personal Services	\$ 43,531.00
Contractual Services	7,212.00
Supplies	2,590.00
Fixed Charges and Contributions	4,227.00
Office Equipment	9,357.00

Federal

Comprehensive Employment and Training Act Grant	49,792.00
Urban Mass Transportation Act Grant	<u>255,076.00</u>
Total for DMVM	<u>\$371,785.00</u>

ACCOMPLISHMENTS

At the present time the Division of Motor Vehicle Management is located in the Arthur Middleton Building, 300 Gervais Street (P. O. Box 633), Columbia, South Carolina. Mr. Allan J. Spence is the Director. The Division of Motor Vehicle Management (DMVM) has accomplished the following:

1. The Motor Vehicle Management Manual has been written and distributed. Included in this manual are chapters pertaining to:
 - a. Purpose and Background
 - b. Operations
 - c. Vehicle Acquisition
 - d. Vehicle Assignment
 - e. Vehicle Use
 - f. Vehicle Specifications
 - g. Vehicle Identification
 - h. Vehicle Inventory
 - i. Registration and Licensing
 - j. Decals and Slogans
 - k. Accident Prevention and Reporting
 - l. Fuel Conservation
 - m. State of South Carolina Credit Card
 - n. Disposal of State-Owned Vehicles
 - o. Blanket Auto Liability Insurance Policy
 - p. Complaints alleging misuse of State-owned vehicles
2. Chapters pertaining to the subjects listed below are being writ-

ten, and will be added to the manual as approved by the Budget and Control Board.

- a. Undercover License Tags
 - b. Special Equipment
 - c. Maintenance and Repair
 - d. Motor Vehicle Management Information System
3. A Universal Gasoline Credit Card System is in effect. This system utilizes one credit card for gasoline purchases at pumps of the S. C. Dept. of Highways and Public Transportation and those of major oil companies. Agencies use the various locations of Highway Department dispensing points in all possible cases. State contract gasoline is approximately 15¢ per gallon cheaper and oil is approximately 75¢ per quart cheaper than like items purchased from commercial sources. A credit card is assigned to each vehicle and can be used to imprint necessary vehicle data on maintenance work orders.
4. Blanket Auto Liability Insurance Policy is in effect for all state-owned vehicles at a very reasonable rate. American Southern Insurance Company provides this coverage. The savings in this particular case cannot be accurately estimated because of absence of past records but is felt to be quite sizeable.
5. An inventory of state-owned vehicles has been completed and reflects an accurate count of all state-owned vehicles.
6. The Motor Vehicle Management Information System (MVMIS) is being written which will enable our Division to maintain accurate cost accounting data on all state-owned motor vehicles. Included are operational and maintenance costs, fuel and oil consumption, mile/hours of operation and depreciation.
7. A policy has been established which requires a State Seal and identification strip be displayed on certain vehicles. Reports from concerned citizens have been very favorable in this regards. Numerous reports have been received that indicates misuse and speeding incidents have greatly declined since our vehicles are being appropriately marked.
8. The Division of Motor Vehicle Management is charged with the responsibility of administering the policies and procedures set forth for the regulation of the Urban Mass Transportation Act 16(b)(2) grant. This involves the solicitation and evaluation of applications for transportation projects as well as the drafting of

specifications for specialized vehicles. It also includes the purchase, distribution and monitoring of the continuing program. The UMTA 16(b)(2) grant provides for capital assistance to private nonprofit organizations to provide transportation equipment for the elderly and handicapped. In 1976-77, there were 19 local agencies operating 35 vehicles in projects totaling \$285,260. In 1977-78 there will be 20 more local organizations with 35 more vehicles in projects totaling \$415,000. South Carolina has been allocated matching funds of \$377,000 by the Urban Mass Transportation Administration toward projects which may amount to \$471,250 for 1978-79. This is a federal assistance program and involves no South Carolina government funds.

9. The inspection section of the Division of Motor Vehicle Management was created so that all vehicles purchased through Central Purchasing, could be inspected for accessories/equipment and overall condition of the vehicle(s). Not only are state-owned vehicles inspected, but county and local municipalities who purchase through Central Purchasing are inspected also. Heretofore, the inspection section had no program to meet this need and, therefore, many times items placed on the original purchase requisition and paid for failed to appear on the vehicle. This brought about problems between the vendors and purchasing agencies. Many times these problems eventually worked themselves out, but there were other times when the problem of an uninspected vehicle became extremely costly for the purchaser to assume. Of course, this additional cost or discrepancy was passed to the taxpayers of this State, counties and local municipalities. During the past fiscal year, more than 780 new vehicles were inspected by this program. A typical inspection verifies that all accessories/equipment that appeared on the purchase requisition and the basic equipment are correct and function as intended. In addition, state-owned vehicles that no longer perform in an efficient manner or those vehicles who meet the disposal criteria of 4 years and/or 60,000 miles are inspected as to the condition and to insure all original accessories/equipment is left intact. There were about 1,498 vehicles disposed of by the State this past fiscal year. Through the years as more and more vehicles are inspected, it is estimated that a substantial savings will be realized for the State.
10. During the past year, more than 70 staff visits were made to various state agencies, boards, and commissions by members of

the Division of Motor Vehicle Management. These services are available to assist agencies in any management problems an agency may have.

11. The DMVM sponsored legislation presently pending that will allow state-owned vehicles to carry permanent license tags. This will greatly reduce overhead cost by not requiring the present annual re-registration of state vehicles.

FUTURE PLANS AND NEEDS

1. An attempt is being made to obtain funds to complete an in-depth study to determine the feasibility of a service oriented Central Transportation Center (CTC). Presently, there are several agencies in the Columbia area with their own transportation facilities. This encourages duplicating, reduces effective utilization, complicates keeping of accurate records/documentation and is very costly since most of the vehicle maintenance is accomplished by commercial garages.
2. In conjunction with the above study, determine the feasibility of establishment of similar transportation centers located in the upper and lower parts of the State.
3. Establishment of a Van-Pool program for state employees. Hopefully, this will reduce the number of state-owned vehicles driven to and from home thus reducing the number of vehicles in the inventory and conserving fuel as well. Program would be self-sustaining in that the employees would reimburse the state for the operation cost of the vehicle.
4. Determination made and instructions published regarding home to office travel by state employees in state vehicles.
5. Continued evaluation of type and size of state-owned vehicle fleet and purchase only those vehicles needed, based upon use and utility, with minimum consideration given to individual preference.
6. Encourage more positive action by agency directors in the total area of motor vehicle management.
7. Develop techniques for the purchase of vehicles based upon life cycle cost rather than strictly low bid. While low bid is an important part of a cost conscious purchasing program, operational cost, resale and maintenance service should also be considered prior to awarding vehicle contracts.

SAVINGS TO THE STATE IN OPERATIONAL COSTS

Programs	Savings
1. Down-sizing of passenger vehicles and purchasing of smaller engines for all light duty vehicles. The vehicle purchase policy prior to establishment of DMVM was to purchase all general use vehicles of the Ford LTD II, Chevrolet Impala, type. This year approximately 325 Plymouth Volares will be purchased at a savings of \$209,775.00. Approximately 20 Ford LTDs will be purchased in lieu of 20 Oldsmobile types, at a savings of \$1,000.00 per unit, \$20,000. 125 pickups will be purchased with 6 cylinder engines, saving \$140.00 per unit or \$17,500.00 for a total savings of approximately \$243,275.00	\$ 243,275.00
2. Establishment of the universal gasoline credit card, saving approximately 10¢ per gallon on gasoline for 100,000,000 miles of travel by state-owned vehicles.	\$ 100,000.00
3. By marking of vehicles and reducing personal use and reducing the number of vehicles driven to and from home. (estimate)	\$ 250,000.00
4. Establishing the State fleet insurance policy and insuring 4,580 vehicles, saving \$100.00 per unit.	\$ 480,000.00
5. Extending the disposal criteria on passenger vehicles and light duty trucks from 3 years and/or 50,000 miles to 4 years and/or 60,000 miles has reduced the number of units purchased each year from 1,783 to 1,362 for a total of 554. The average cost of these vehicles is \$4500.00 X 554 saving the State \$2,493,000.00. It is realized that the older vehicles sell for approximately \$500.00 less and that the operational cost may be .02¢ per mile higher which comes to \$387,800, the net savings would be \$2,105,200.00.	\$2,105,200.00
Savings to the State	\$3,178,475.00
Less Budget for Agency (FY79) ..	151,108.00
Total Savings to the State ...	<u><u>\$3,027,367.00</u></u>

